

**Department of the Treasury
Federal Advisory Committee on Insurance**

Membership Balance Plan

Pursuant to 41 C.F.R. §102-3.30(c) and 41 C.F.R. §102-3.60(b)(3), this Membership Balance Plan for the Federal Advisory Committee on Insurance of the Federal Insurance Office (FIO) is being provided as part of the charter establishment plan and describes how the FIO intends to maintain a fairly balanced membership for the Federal Advisory Committee on Insurance.

- (1) Name. The Federal Advisory Committee on Insurance (FACI).
- (2) Authority. The Charter for the FACI is prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. App. 2.
- (3) Mission/Function. The Federal Advisory Committee on Insurance's purpose is to provide advice and recommendations to the Federal Insurance Office (FIO) to assist the Office in carrying out its duties and authorities. This advice and recommendations may cover specific or general insurance topics, processes, studies and/or reports. FIO's duties and authorities are set out in Subpart A of the Federal Insurance Office Act of 2010 (31 U.S.C. 313, et seq.), Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203, 12 U.S.C. 5301 et seq. (July 21, 2010).
- (4) Points of View.
 - (a) Subject Matter/Technical Expertise. The subject matter or technical expertise that is necessary to accomplish the tasks of the FACI includes an understanding of the policies, regulation, organization and operations affecting insurance, including the role played by State and Tribal insurance regulators, the role and issues faced by insurance consumers and communities, including underserved consumers and communities, and the insurance industry. Expertise and familiarity with the unique issues surrounding insurance is critical for the Federal Advisory Committee on Insurance's members. Experience as either a State or Tribal insurance regulator, or official, a senior leader or respected professional within an insurance industry sector, a respected academic expert on insurance, or an expert on issues facing insurance consumers, including underserved insurance consumers, is critical to the efforts of the FACI.
 - (b) Areas of Expertise. Members should have expertise in insurance markets, market participants, products, distribution systems, in the general operations of the insurance and reinsurance companies, how insurers are licensed, examined, regulated, and supervised, and be knowledgeable in general of the U.S. State and international regulatory environment associated with them. Knowledge of insurance and reinsurance company operations, accounting, financial reporting, solvency, resolution, and applicable model and State laws and regulations is expected. Members should be familiar with economic, financial, legal, and policy implications of developments related to the business of insurance and reinsurance companies, their affiliates, and their holding companies and groups, and the licensing of insurance professionals.

Members should also have extensive knowledge of issues affecting insurance policyholders, claimants, beneficiaries, and other insurance product customers, as well as the provision of affordable insurance to underserved, minority, and low/moderate income consumers.

(c) Service as Members. Members who are designated as Representative are representative of the perspective of a certain group of similarly situated persons who have an interest in the subject of the discussion. Members who are designated as Special Government Employees (SGEs) are appointed to exercise their own individual best judgment on behalf of the Government.

The factors to be considered in making an employment status determination for advisory committee members include the express language of the advisory committee's enabling documents; whether the prospective committee member will receive compensation other than travel expenses for his or her services on the committee; whether the prospective committee member was selected through an appointment process that used outside recommendations; and whether the prospective committee member will be supervised by a Federal government employee. Any new members will be reviewed using the same standard that was used for the current members. Membership balance is not static and may change, depending on the work of the FACI.

(5) Other Balance Factors. The other balance factors that FIO identified as important for the FACI's membership include geographic diversity, and diversity in the area of industry expertise (property & casualty, life and annuities, reinsurance, and insurance intermediaries), and of consumer and community expertise. The composition of the FACI will reflect a diverse set of perspectives from across regulatory jurisdictions and industry sectors.

(6) Candidate Identification Process.

(a) Cross-section. The FIO will solicit nominations for the FACI by placing a notice in the *Federal Register* and by identifying interested persons as well as national groups with membership interested in the areas of insurance related to the FIO's duties and authorities.

(b) Agency staff involved. The review process for the members of the FACI will be performed by the FIO and Treasury officials.

(c) Vacancies. Vacancies will be filled as promptly as possible, using a process to match as closely as possible the balance and diversity characteristics of the departing member.

(d) Term limits. Each member is appointed for a term of two years.

(6) Subcommittee Balance. At this time, the FACI has no subcommittees; however, should subcommittees be formed, its membership will be selected by the FACI itself in a manner to ensure a balanced membership consistent with this plan.

(7) Other. The FIO will take whatever other steps are necessary to ensure a balanced membership on the FACL.

(8) Date Prepared. This Membership Balance Plan was initially prepared on May 2, 2011.